PROVINCE OF SASKATCHEWAN

# 08-09

ANNUAL REPORT

PUBLIC SERVICE
SUPERANNUATION PLAN

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This annual report is available in electronic format at **www.peba.gov.sk.ca**.

# Letters of Transmittal

His Honour, The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

Dear Sir:

I have the honour to submit herewith the eighty-second Annual Report of the Public Service Superannuation Board, together with the financial statements, for the fiscal year ending March 31, 2009, pursuant to the provisions of Section 69 of *The Public Service Superannuation Act*.

I have the honour to be, Sir,

Your obedient servant,

Rod Gantefoer
Minister in Charge
Public Service Superannuation Board

The Honourable Rod Gantefoer
Minister in Charge
Public Service Superannuation Board

Sir:

On behalf of the Public Service Superannuation Board, I have the honour to present herewith the eighty-second Annual Report of the Public Service Superannuation Board for the fiscal year ended March 31, 2009.

Respectfully submitted,

Brian Smith
Board Chair

## Chair's Comments

It is my privilege to serve as Chair for the Public Service Superannuation Board. The Board consists of three members appointed by the Lieutenant Governor in Council.

The Public Service Superannuation Plan (PSSP) came into effect on May 1, 1927. The enrolment of new members ended at the inception of The Public Employees Pension Plan on October 1, 1977. This is therefore a closed plan.

The Board updated its business plan goals, objectives and initiatives in March 2009. The business plan is now set for the six year period of 2009-2015. This annual report introduces initiatives for that period and reports on the activities accomplished in 2008-2009. This annual report is a further step in providing detailed information about the business plan and Plan activities.

In managing the assets of the Saskatchewan Transportation Company Employees Superannuation Fund, the Board reviews the performance of the Fund's investments in terms of the performance of a benchmark portfolio over rolling four-year periods. The Board measures the performance of the investment managers against the objectives set for that portfolio. An investment policy review was conducted in June 2008. Information about the Fund's investments is provided in this report.

On behalf of the Board, I am presenting the 2008-2009 Annual Report for the Public Service Superannuation Plan.

Brian Smith
Board Chair

# Introduction

The primary purpose of the Public Service Superannuation Board is to provide pension benefits to employees in the event of retirement and secondarily in the event of termination of employment. The Public Service Superannuation Plan (PSSP) also provides benefits to the dependents of deceased employees and superannuates in the event of death either prior, or subsequent, to retirement.

The Plan is a defined benefit pension plan, which provides a benefit based on an employee's highest earnings during specified periods taking into consideration their total years of service to a maximum of 35 years. Currently employees who are contributing to the Plan make contributions at a rate of seven per cent, eight per cent or nine per cent, depending on their age when they entered the Plan. This contribution is offset by an amount equal to 1.8% of their pensionable earnings between the Year's Basic Exemption and Year's Maximum Pensionable Earnings as defined on an annual basis by the Canada Pension Plan.

The Plan is governed by *The Public Service Superannuation Act*, which came into being on May 1, 1927.

The Act also governs employees of The Anti-Tuberculosis League and the Saskatchewan Transportation Company.

The Plan was closed to new members as of October 1, 1977.

# Public Service Superannuation Board

The Board, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of *The Public Service Superannuation Act*. At March 31, 2009, the Board was composed of three members (listed in *Table 1.1*).

| Public Service Superannuation Board Members | |
|---|---|
| Brian Smith | Chair |
| Richard McKillop | Member |
| Carolyn Salloum | Member |

*Table 1.1*

Members of the Board receive no compensation for the performance of their roles as Board members. They are remunerated for reasonable expenses for attending Board meetings and other functions in their capacity as Board members.

**Administration**

The Board is ultimately responsible for the Plan's administration, communication and investment activities. To discharge these responsibilities, the Board uses the services of various organizations.

The Public Employees Benefits Agency (PEBA) has responsibility for the operation, administration and management of several superannuation plans and other employee benefits programs. PEBA provides the following administrative services for the Public Service Superannuation Plan:

- provides pension estimates, estimates on breakdowns of spousal relationships, and transfer values for members wishing to transfer into PSSP from other pension plans;
- prepares annual member statements by the end of June of each year;
- calculates termination, pension, and death benefits;
- prepares statements to members regarding significant life events that affect Plan membership, such as termination, death, and the breakdown of spousal relationships;
- accounts for all investment transactions;
- collects members' and employers' contributions; and
- provides executive management services to the Board.

PEBA is responsible for ensuring that all transactions are made in accordance with *The Public Service Superannuation Act*, *The Superannuation (Supplementary Provisions) Act* and their related regulations.

The Board retains Greystone Capital Management Inc. as the investment manager for the Saskatchewan Transportation Company Employees Superannuation Fund. Hewitt Associates is retained as the investment consultant for the Fund.

**Mission**

Our mission as the Plan's administrator is to manage the Plan solely in the best interests of the members.

# Business Plan Goals, Objectives and Initiatives

The Board updated its business plan in March 2009. The business plan for 2009-2015 outlines the Board's goals, objectives and initiatives for the next six years. The business plan allows the Board to focus on making key decisions to set a clear direction for the Plan's future. Annual reports are used to assess overall progress toward goals and initiatives and to adjust future plans and activities.

The business plan sets out goals, objectives and initiatives in the following areas:

**A. Service Delivery, Design and Communications**:

Plan members have access to the information they require to make decisions about their retirement.

**B. Plan Governance**:

The Board's governance processes ensure the Board has the information it needs to provide effective oversight of the Plan.

**C. Accountability**:

The activities of the Board and its service providers are reported.

**D. Risk Management**:

Risks facing the Plan are identified and effective strategies are employed to manage those risks.

Initiatives and ongoing practices are used to support these goals and objectives. This 2008-2009 annual report introduces the initiatives for the 2009-2015 period and reports on the activities accomplished in 2007-2008.

# Business Plan Goals, Objectives and Initiatives

## A. Service Delivery, Design and Communications

Plan members have access to information needed to make the decisions about their retirement.

The focus of the service delivery is primarily on the remaining active members of the Plan. This will occur until all or substantially all of the active members have retired, when the focus will shift to service delivery to retired members.

**Activities Planned and Accomplished in 2008-2009**

- Re-assess focus of communications strategy and service delivery efforts
  - The communication strategy continues to focus on the active members and employers of the Plan.
- Other activities
  - Annual statements are provided to members in line with the performance standards set by the Board.
  - Information on the website is reviewed on an ongoing basis. Updates are made as needed.
  - Three retirement information sessions were held in Regina, with a total participation of 23 Plan members. Evaluations and feedback received from these sessions were positive.
  - A self-registration process was made available for those members wishing to attend the retirement information sessions.

**Initiatives of 2009-2015 Business Plan**

- Determine if the administration of the Plan is positioned to provide service to Plan members who will be retiring over the next five years.
- Improve the availability of Retire*With*Ease presentations.

# Business Plan Goals, Objectives and Initiatives

## B. Plan Governance

The Board's governance processes ensure the Board has the information needed to provide effective oversight of the Plan.

The Board has developed its governance practices and policies in recent years and will continue to implement and maintain its governance program.

**Activities Planned and Accomplished in 2008-2009**

- Implement identified changes (if any) required in the governance process.
  - The Board received amendments to its governance manual throughout the year to reflect changes in code of conduct processes and more accurately reflect the types of information the Board receives.
- Conduct annual assessment of the plan governance program.
  - The *Governance Self-Assessment Questionnaire* for 2008-2009 was presented to the Board in March 2009.
- Review and update the Board's business plan.
  - In March 2009, the Board reviewed and approved a new business plan for the period of 2009-2010 through to 2014-2015.

**Initiatives of 2009-2015 Business Plan**

- Review the information provided to the Board and the use of that information.
- Request a review of the governance model for the Plan.

# Business Plan Goals, Objectives and Initiatives

## C. Accountability

The activities of the Board and its service providers are reported.

Effective plan management requires a strong focus on accountability, the basis of which is the establishment of measurable objectives and the monitoring of progress against these objectives. To ensure accountability, the reporting of results is critical.

The Board has established administration service standards and a *Statement of Investment Policies and Goals* for the Fund.

**Activities Planned and Accomplished in 2008-2009**

- Continue identification and implementation of ways to improve the transparency of Plan operations and the activities and decisions of the Board itself.
  - The Annual Report provides members with the business plan of the Board.
  - The *Governance Self-Assessment Questionnaire*, mission statement and complaint process are available on the website.

**Initiatives of 2009-2015 Business Plan**

- Continue to enhance the Board's Annual Report.
- Continue to enhance the Plan's website.

# Business Plan Goals, Objectives and Initiatives

## D. Risk Management

Risks facing the Plan are identified and effective strategies are employed to manage those risks.

Effective governance requires a strong focus on risk management, the basis of which is the identification and quantification of risks and the development and implementation of effective strategies to manage the risks.

The Board has established an annual risk management planning process. This includes the identification of risks and the development and implementation of strategies to manage the risks. The Board annually reviews the results of its risk management process.

**Activities Planned and Accomplished in 2008-2009**

- Conduct an investment review.
  - An investment policy review was conducted for the Plan on June 24, 2008.
- Conduct an annual risk management assessment.
  - The Board reviewed its Risk Management Plan for 2007-2008 and approved its Risk Management Plan for 2008-2009 at its meeting on June 24, 2008.

**Initiatives of 2009-2015 Business Plan**

- Continue the Board's annual risk planning and review processes.
- Review the *Statement of Investment Policies and Goals* to ensure it is appropriate in terms of meeting the ongoing cash needs of the Saskatchewan Transportation Company portion of the Plan.

# Investments

### Investment Performance

The Minister of Finance is responsible for holding in trust and investing the monies in the Saskatchewan Transportation Company Employees Superannuation Fund (Fund). The Minister has delegated these responsibilities to the Public Service Superannuation Board, who in turn have retained the services of Greystone Capital Management Inc. to be the investment manager.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long-term investment performance goals set out by the Board in their Statement of Investment Policies and Goals for the Fund.

The Fund's long-term investment performance objective is to outperform a benchmark portfolio constructed as shown in *Table 1.2*.

**Benchmark Portfolio**

| Asset Class | Market Index | Weight |
|---|---|---|
| Canadian | S&P/TSX Capped Composite Index | 15% |
| US | S&P 500 Index | 10% |
| Non-North American | MSCI EAFE Index | 10% |
| Fixed Income Bonds | DEX Universe Bond Index | 60% |
| Short-Term Investments | DEX 91 Day T-Bill Index | 5% |
| Total | | 100% |

See Appendix 'A' for a description of market indices.

*Table 1.2*

The objective of the Fund is to achieve a return that is equal to or greater than the return achieved from this benchmark portfolio over a rolling four-year period.

It is against this objective that the Board assesses the performance of the investment manager.

The performance history of the Fund as of March 31, 2009 is shown in *Table 1.3*.

**Fund Performance**

| | 1-Year Return | Rolling 4-Year Average |
|---|---|---|
| Fund Return | -9.4% | 2.6% |
| Benchmark Return | -8.7% | 2.4% |

*Table 1.3*

# Plan Administration

The Board has delegated the day-to-day administration of the Plan and management of its assets to PEBA.

PEBA provides all services required to operate, administer and manage the Plan in a manner consistent with and according to all statutory provisions and regulations that apply to the Plan. PEBA reports measurement against standards to the Board quarterly. *Table 1.4* provides measurement results for the 2008-2009 year.

PEBA provides Senior Executive Officer services and Executive Secretary services to the Board.

In 2008-2009, the Board paid PEBA $1,242,418 for administrative services.

Any deficiencies in the Plan are paid out of the General Revenue Fund and are the responsibility of the Government of Saskatchewan. For the most part the Plan is unfunded, although some monies are held in the Saskatchewan Transportation Company Employees Superannuation Fund.

**PEBA Service Standards April 1, 2008 to March 31, 2009**

| Task | Completed | Number that Meet or Exceed Standard | % that Meet or Exceed Standard | Standard* (Days) |
|---|---|---|---|---|
| Statement on termination | 0 | 0 | n/a | 60 |
| Payments | 0 | 0 | n/a | 14 |
| Retirements | 160 | 155 | 96.9 | 30 |
| Deaths | 226 | 217 | 96.0 | 30 |
| Pension estimates | 304 | 268 | 88.2 | 60 |
| Spousal breakdown calculations | 1 | 1 | 100.0 | 45 |
| Reciprocal transfer values | 0 | 0 | n/a | 30 |
| Purchase of service | 22 | 5 | 22.7 | 30 |
| General inquiries | 69 | 62 | 89.9 | 14 |
| Total | 782 | 708 | 90.5 | - |

** Standard is set within the contract between the Board and PEBA.*

*Table 1.4*

# Plan Expenditures and Statistics

**Benefit Payments**

Benefit payments are made in accordance with the Plan rules due to retirement of employees, termination of employment and death benefits – either due to death of an employee or a superannuate.

Annual pensions are calculated as two per cent of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum of 35 years. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

In the year ended March 31, 2009, PSSP paid a total of $113.8 million in benefits to pensioners, including retired employees of the Saskatchewan Transportation Company and the Anti-Tuberculosis League.

**Contributions to the Plan**

In accordance with the contribution schedules, employee contributions to the Plan during the year totaled $2,894,000. This compares to $3,761,000 as of the previous fiscal year end. In addition, employer contributions were made to the Plan during the year, totaling $893,000, a decrease from $999,000 the previous year.

*Table 1.5* shows the number of active and retired employees in the Plan as of the current and prior year-ends.

**Active and Retired Employees**

| | March 31, 2009 | | | March 31, 2008 | | |
|---|---|---|---|---|---|---|
| | **PSSP** | **Anti-TB** | **STC** | **PSSP** | **Anti-TB** | **STC** |
| Active Employees | 1,008 | 0 | 8 | 1,147 | 0 | 9 |
| Inactive Employees | 104 | 3 | 5 | 109 | 3 | 5 |
| Retired Employees* | 5,715 | 58 | 124 | 5,721 | 66 | 126 |
| | **6,827** | **61** | **137** | **6,977** | **69** | **140** |

* Includes superannuates, plus their dependants now in receipt of a survivor pension

*Table 1.5*

These tables are summaries that show the total number of death benefits paid on behalf of superannuates who died during the year and benefits upon termination of employment other than retirement.

**Death Benefit Summary**

| | March 31, 2009 | March 31, 2008 |
|---|---|---|
| Superannuate Survivor Pension | 71 | 77 |
| Superannuate Cash Benefit | 1 | 1 |
| **Totals** | **72** | **78** |

*Table 1.6*

**Termination of Employment Summary**

| | March 31, 2009 | March 31, 2008 |
|---|---|---|
| Cancel Deferred | - | 1 |
| Termination of Membership | - | 3 |
| Reciprocal Transfers | - | 0 |
| **Totals** | **-** | **4** |

*Table 1.7*

# Plan Expenditures and Statistics

| Table Summary* | | | |
|---|---|---|---|
| | | March 31, 2009 | March 31, 2008 |
| Table 1 | Attained Age 65 | 3 | 14 |
| Table 2 | Attained Age 60 - with reduction | - | - |
| Table 3 | Attained Age 60 - no reduction | 36 | 46 |
| Table 4 | Attained 35 years of Service | 103 | 92 |
| Table 5 | Age 55 and 30 years service - reduced pension | 9 | 12 |
| Table 6 | Ill Health Pension | - | - |
| Table 7 | Granted Deferred Allowance | - | - |
| Table 8 | Deferred Allowance now Payable | 9 | 6 |
| Table 9 | Early Retirement Allowance | - | - |
| Table 10 | Deceased Employees | 4 | 3 |
| **Totals** | | **164** | **173** |

* Tables on pages 15-21.

*Table 1.8*

# Tables

The following tables show all employees who retired during the year, including employees of the Saskatchewan Transportation Company and the Anti-Tuberculosis League.

The tables are divided by category of retirement and include employees who terminated and elected retirement at a future date, as well as those who died during the year.

**Table 1**

| Employees Retired Having Attained the Age of Retirement - Age 65 | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Perkins, Francis G. | Highway Traffic Officer Level 8 | 4750.55 | 65 |
| Severson, Mary Louise | Nurse Level 1 | 2906.66 | 65 |
| Twarowski, Marie A. E. | Senior Nurse | 892.00 | 65 |

**Table 2**

| Employees Retired at Their Option After Age 60 - With Reduction | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| none | | | |

# Tables

**Table 3**

| Employees Retired at Their Option After Age 60 - No Reduction | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Ahlstrom, Garry B. | Management Class Plan Engineer Level 5 | 6038.95 | 61 |
| Antonini, Mardelle V. | Correspondence School Teacher Level 10 | 5697.12 | 60 |
| Beutel, Darlene | Accounting Clerk Level 6 | 3511.27 | 60 |
| Blackwell, Robert L. | Management Level 10 | 7820.00 | 60 |
| Bueche, Kenneth W. | Child Protection Worker Level 8 | 4811.22 | 60 |
| Collins, Herbert M. | Corrections Worker Level 11 | 5500.55 | 60 |
| Ensz, Orlan D. | Senior Community Program Consultant level 10 | 5304.16 | 60 |
| Frass, Jerry A. | Administration Officer Level 7 | 6976.06 | 64 |
| Hagley, Carol A | Research Officer 2 | 5624.27 | 60 |
| Harbicht, Perry A. | Equipment Operator Level 5 | 3770.84 | 60 |
| Jones, Gordon K | Director of Financial Systems | 8037.00 | 60 |
| Kramm, Leslie J. | Equipment Operator Level 5 | 3608.41 | 60 |
| Lang, Janice D. | Accounting Clerk Level 5 | 3479.58 | 60 |
| Linder, Valerie J. | Secretary Level 7 | 4241.48 | 63 |
| Ling, John A. | Tax Auditor Level 12 | 6569.72 | 60 |
| MacKenzie, A. | General Service Worker - Facility Cleaner | 3002.89 | 64 |
| Mathieson, James B. | Director- Petroleum Development | 9726.04 | 64 |
| McGurk, Daniel W. | Area Supervisor | 3567.81 | 61 |
| Meger, Ronald A. | Equipment Operator Level 8 | 4545.91 | 60 |
| Miller, Allen S. | Engineering Technician Level 3 | 3152.69 | 60 |
| Paulhus, Robert D. | Gravel Location Manager; Engineering Assistant Level 9 | 5000.33 | 62 |
| Pfeifer, Dennis G. | District Examiner Level 1 | 4654.00 | 60 |
| Poupart, Florence E. | Income Security Worker Level 11 | 6097.26 | 61 |
| Rodgers, Norman W. | Bus Driver | 5054.92 | 62 |
| Sanders, Robert H. | Equipment Operator Level 5 | 3394.47 | 61 |
| Sitter, Ronald F. J. | Program/Officer Administrator Level 5 | 4965.48 | 60 |
| Skrapek, Candace H. | Instructor/Program Head NEPS Level 2 | 7485.74 | 60 |
| Sockett, Barry W. | Human Resources Director, MCP Level 11 | 10112.92 | 64 |
| Stoppa, Anthony J. | Laboratory Technologist Level 7 | 4738.19 | 61 |
| Strand, Kelvin W. | Project Manager, Supervisor Facilities Planner Level 11 | 6525.01 | 61 |
| Studer, Peter T. | Program/Officer Administrator | 6043.13 | 60 |
| Taylor, Pamela A. | Medical Accounts Clerk Level 5 | 3636.20 | 60 |
| Treble, Ronald G. | Senior Laboratory Scientist Level 13 | 7059.94 | 60 |
| Wilson, Lloyd E. | Accounting Clerk Level 2 | 2096.13 | 60 |
| Wood, Sharon D. | Combined Environmental Program Evaluation Manager, MCP Level 7 | 7308.05 | 60 |
| Ziegler, Joseph J. | Equipment Operator Level 5 | 3770.84 | 60 |

# Tables

**Table 4**

| Employees Retired at Their Option With 35 Years Service | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Bahr, George K. | Information Technologist Level 12 | 7337.62 | 57 |
| Barker, Bryan Wesley | Children's Programs Manager | 7493.77 | 64 |
| Bateson, Nancy Ann | SIAST Program Head | 7400.90 | 55 |
| Beglau, Debra | Therapist 1 | 3436.65 | 58 |
| Biccum, Eldon L. | Equipment Operator Level 5 | 3608.41 | 56 |
| Bodnaryk, Barry L. | Document Processing Clerk Level 3 | 3202.72 | 54 |
| Bonderud, Myra L. | Administrative Assistant | 3479.58 | 59 |
| Bumphrey, William L. | Manager Construction Services Level 11 | 6133.76 | 53 |
| Cairns, Garry H. | Project Manager, MCP Level 5 | 6038.95 | 59 |
| Cameron, Brynn D. | Director of Instructional Resources MCP Level 9 | 8841.02 | 58 |
| Campbell, Carol L. | Community Mental Health Nurse | 6661.65 | 55 |
| Campbell, Lynn D. | Human Resources Advisor | 5316.45 | 57 |
| Cavan, Darlene | Group Activities Aide Level 4 | 3325.47 | 60 |
| Cooper, Karen M. | Provincial Public Health Nutritionist Level 12 | 6955.40 | 57 |
| Cowie, Douglas W. | Land Manager Level 10 | 5500.55 | 59 |
| Custer, Elizabeth | Environmental Service Worker | 2565.92 | 55 |
| December, Patricia L. | Community Service Worker Level 8 | 4524.07 | 55 |
| Degenstein, Brian P. | Equipment Operator Level 5 | 3608.41 | 54 |
| Desnoyers, Edward J. | Controller of Surveys | 9106.25 | 54 |
| Dodge, Carman | Photo Interpreter Level 7 | 4209.09 | 55 |
| Dwyer, Albert | Director (Registrar) Level 10 | 9726.04 | 59 |
| Edgington, Thomas G. | Area Maintenance Manager, MCP Level 6 | 6641.92 | 55 |
| Ferrara, Allan | Facilities Planner Level 10 | 6043.13 | 56 |
| Fiessel, Brenda E. | Secretary Level 5 | 3222.02 | 57 |
| Folkersen, Allan J. | Construction Standard Analyst Level 10 | 5500.55 | 58 |
| Frank, David C. | Instructor | 6431.66 | 59 |
| Frederick, Jan W. | Draftsperson Level 5 | 3700.79 | 54 |
| Gareau, Henry J. A. | Storekeeper/Stock Clerk Level 5 | 3608.41 | 56 |
| Gelech, James P. | Equipment Operator Level 8 | 4545.91 | 53 |
| Gibler, Sharon J. | Local Registrar, Judicial Officer Level 9 | 4787.02 | 53 |
| Harley, Linda A. | Environmental Services Worker | 2565.92 | 57 |
| Harty, Brenda J. | Office Administrator Level 5 | 3770.84 | 53 |
| Heck, Brent D. | Photo Id Technician/Office Administrator Level 5 | 4442.74 | 54 |
| Herberholz, Donald A. | 3rd Class Power Engineer | 4170.43 | 55 |
| Hobbins, Dean G. | Engineer MCP Level 5 | 5453.01 | 55 |
| Hoffman, Tony J. | Appraisal Agrologist Level 2 | 5584.00 | 56 |
| Holaday, Ronald J. | Operations Supervisor; Equipment Operator Level 8 | 4545.91 | 53 |

*continued*

# Tables

**Table 4 (continued)**

| Employees Retired at Their Option With 35 Years Service | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Holinaty, Adam M. | Equipment Operator Level 5 | 3608.41 | 60 |
| Hovde, Allan T. | Area Manager Level 6 | 6641.92 | 60 |
| Hubick, Brian W. | Remand Area Supervisor, Corrections Worker Level 9 | 5000.33 | 60 |
| Hunt, Hugh M. | Executive Director, MCP Level 10 | 10700.02 | 58 |
| Ireland, Bryan H. | Director - Regional Operations | 9780.00 | 62 |
| Jennings, Donald R. | Equipment Operator Level 5 | 3770.84 | 60 |
| Jones, Dennis C. | Asset Management Level 9 | 8841.02 | 59 |
| Jones, Jennie A. | Group Activities Aide Level 4 | 3325.47 | 56 |
| Kessel, Eileen M. | Accounting Clerk Level 5 | 3479.58 | 55 |
| Klein, Joseph E. | Preservation Project Specialist, Business Consultant L. 9 | 5000.33 | 53 |
| Kraus, Brian J. | Dean of Basic Education | 10564.08 | 59 |
| Kuhn, Douglas W. | Corrections Worker Level 8 | 4545.91 | 54 |
| Lehner, Deborah J. | Extension Administrator | 4418.59 | 55 |
| Long, Kevon D. | Senior Technician | 5232.00 | 54 |
| Lucyk, Steve S. | Equipment Operator Level 5 | 3608.41 | 53 |
| MacKintosh, John A. | Equipment Operator Level 8 | 4750.55 | 53 |
| Madden, Joseph E. | Provincial Signing Manager, MCP Level 6 | 6641.92 | 59 |
| Malley, Margaret | Supervisor | 7243.00 | 58 |
| McAvoy, Michael J. | Crops Section Manager, Agrologist Level 8 | 7728.00 | 62 |
| McConnell, Colin J. | Programmer Analyst Level 11 | 8121.67 | 58 |
| McLean, Debra E. | Director of Registry Projects | 8576.42 | 53 |
| McNaughton, Dwight R. | TAIS Business Analyst Level 2 | 4654.00 | 53 |
| Meekma, John S. | Resource Management Consultant, Project Officer L. 11 | 6050.75 | 59 |
| Mickleborough, Darwin L. | Community Service Worker | 4682.44 | 60 |
| Morcom, Douglas R. | Administration/Financial Director, MCP Level 8 | 8037.00 | 60 |
| Morrison, Frank T. | Equipment Operator Level 5 | 3608.41 | 57 |
| Myhr, Deborah A. | Customer Service Manager | 5939.33 | 54 |
| Myrvang, Orville | Estate Agrologist Level 11 | 6050.75 | 62 |
| Neal, Shirly A. | Assistant Supervisor, Child Protection Worker Level 9 | 5000.33 | 63 |
| Neskar, Beverly A. | Document Processing Clerk Level 3 | 3176.94 | 55 |
| Nimetz, Terrance W. | Assistant Director, Deputy Program/Corrections Worker L. 11 | 5840.92 | 59 |
| Novak, Stanley | Supervisor of Operations, Equipment Operator Level 8 | 4545.91 | 56 |
| Nystrom, Donald W. | Assistant Project Manager Level 10 | 5105.81 | 60 |
| Payne, Wayne | Park Maintenance Supervisor Level 6 | 3916.67 | 56 |
| Pelletier, Gilles A. | Social Worker MCP Level 10 | 9726.04 | 56 |
| Pierce, Donald A. | Business Consultant Level 10 | 5500.55 | 56 |
| Pilot, Ronald M. | Assistant Project Manager; MCP Level 5 | 6038.95 | 60 |

*continued*

# Tables

**Table 4 (continued)**

| Employees Retired at Their Option With 35 Years Service | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Pistun, Ralph D. | Director Community Training, MCP Level 7 | 7308.05 | 59 |
| Popiuk, Leslie M. | Maintenance Worker Level 8 | 4545.91 | 54 |
| Prince, Faye L. | Government Publications Technician | 3758.20 | 56 |
| Ridsdale, Barbara D. | Corrections/Probation Officer Level 10 | 5500.55 | 57 |
| Rogers, Daniel B. | Pasture Manager Level 6 | 2522.00 | 57 |
| Schultz, Douglas B. | Equipment Operator Level 8 | 4750.55 | 54 |
| Schweitzer, Grant L. | Equipment Operator Level 5 | 3608.41 | 54 |
| Sharp, Bonnie Lee | Accounting Clerk Level 6 | 3758.20 | 53 |
| Simmons, Robby C. | Collection and Enforcement Officer | 5358.51 | 58 |
| Skwara, Adeline M. | MCP Level 9 | 8841.02 | 56 |
| Smyth, Patricia | PFT Investigator Level 8 | 4383.60 | 53 |
| Swedburg, Alan M. | Document Processor Level 7 | 4058.81 | 57 |
| Tait, Barbara A. | Business/Information Technology Analyst Level 10 | 5087.16 | 54 |
| Ternes, Ronald J. | Nurse B | 6661.65 | 55 |
| Thronberg, Patricia | Nurse Level 3 | 6758.52 | 53 |
| Todd, Ronald J. L. | Parks Superintendent/Policy Officer Level 9 | 5792.88 | 57 |
| Umpherville, Jean E. | Income Security Worker Level 8 | 4123.26 | 58 |
| Urquhart, Debra F. | Mental Health Nurse B | 5833.41 | 54 |
| Verbeke, Marcia D. | Accountant | 5038.80 | 55 |
| Vogelsang, Robert B. | Senior Standards & Inspections Officer, MCP Level 8 | 8037.00 | 55 |
| Voigt, Lyle G. | Case Manager, Awareness & Preventative Education L. 7 | 4058.81 | 55 |
| Walby, Janet E. L. | Document Processing Filing Clerk Level 3 | 3176.94 | 59 |
| Walker, Bonnie L. | Manager, Securities Cage | 4965.48 | 56 |
| Walsh, Anthony J. | Manager Level 8 | 7939.95 | 55 |
| Watt, Glen R. | Operations Supervisor, Equipment Operator Level 8 | 4545.91 | 56 |
| Williams, Shirley J. | Secretary Level 5 | 3479.58 | 54 |
| Wilson, Jerry O. | Corrections Worker Level 8 | 4160.76 | 58 |
| Wishart, Margaret C. | Registration Services Assistant | 3105.09 | 54 |
| Zimmerman, Philip L. | Supervisor of Operations, Equipment Operator Level 8 | 4750.55 | 59 |

# Tables

**Table 5**

| Employees Retired After Age 55 with Minimum 30 Years Service - Reduced | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Duesterbeck, Florence | Librarian Level 10 | 4955.81 | 55 |
| Lacelle, Roger P. | Equipment Operator Level 5 | 3220.26 | 55 |
| Leontowicz, Ronald H. | Program Head - Instructor | 7078.94 | 59 |
| McCreary, Gillian P. | DMO Senior Policy Advisor | 10874.94 | 59 |
| Neustaedter, Annette K. | SIAST Program Head | 5332.50 | 55 |
| Plum, Harvey D. | Enviromental Service Worker | 2565.92 | 59 |
| Samson, Henri R. | Corrections Officer Level 8 | 4116.07 | 55 |
| Sehn, Valerie A. G. | Special Care Aide | 3067.74 | 55 |
| Van Winkoop, Beryl | Nurse A | 6361.21 | 57 |

**Table 6**

| Employees Retired On Grounds of Ill Health | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| none | | | |

**Table 7**

| Employees Granted Deferred Allowances | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| none | | | |

**Table 8**

| Employees Granted Deferred Allowances - Now Payable | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Beck, Barbara E. | Nursing Attendant | 1943.00 | 66 |
| Clarke, Lawrence W. | Regional Development Manager MCP Level 8 | 6846.94 | 60 |
| Holzer, Bernadette | Psychiatric Aide | 5132.00 | 60 |
| Kruszelnicki, Peter J. | Engineering Assistant Level 2 | 3226.21 | 55 |
| Lynch, Brian J. | Professional Level 6 | 4728.00 | 60 |
| Odegard, Sharon E. | Instructor | 4094.00 | 60 |
| Russell, Fraser G. | Librarian Level 2 | 3332.00 | 60 |
| Smith, Patricia E. | MSG Level 3 | 2110.00 | 65 |
| Sukava, Larry F. | MCP Level 7 | 5590.98 | 60 |

# Tables

**Table 9**

| Employees Granted an Early Retirement Allowance | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| none | | | |

**Table 10**

| Deceased Employees | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Belak, Ronald | Senior Public Health Inspector | 593.97 | 64 |
| Brody, Leslie R. | Forrestry Officer Level 7 | 3798.73 | 59 |
| Gosselink, John G. | Design Survey Inspector Level 9 | 5528.74 | 63 |
| Pillar, Lionel | Area Manager MCP Level 6 | 6641.92 | 59 |

# Management's Report

To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Ministry of Finance. Management is responsible for financial administration and administration of the Funds and fund assets.

The financial statements which follow have been prepared by management in conformity with Canadian generally accepted accounting principles. Management uses internal controls and exercises its best judgment in order that the financial statements fairly reflect the financial position of the Plan.

The accrued pension benefits are determined by an actuarial valuation. Actuarial valuation reports require best judgment in order that the financial statements reflect fairly the financial position of the Plan.

The financial statements have been audited by the Provincial Auditor whose report follows.

Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency

A. Mackrill

Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency

K Deck

Kathy Deck
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
June 11, 2009

# Actuary's Opinion

Aon Consulting Inc. was retained by the Public Service Superannuation Board (the Board) to perform actuarial valuations of the accrued pension benefits of the Public Service Superannuation Plan, including the Public Service Superannuation Fund, the Anti-Tuberculosis League Employees Superannuation Fund, and the Saskatchewan Transportation Company Employees Superannuation Fund (the Plan) on an accounting basis as at December 31, 2008. Aon Consulting Inc. was further retained to extrapolate the results of this valuation to March 31, 2009.

The actuarial valuations and extrapolations were based on:

- Membership data provided by the Board as at December 31, 2008;
- Asset data provided by the Board as at March 31, 2009;
- Methods prescribed by The Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Consulting Inc. and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate the present value of the accrued pension benefits for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are not unreasonable, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data are sufficient and reliable for the purposes of the valuations and extrapolations. Our opinions have been given and our valuations and extrapolations have been performed in accordance with accepted actuarial practice.

David R. Larsen, FSA, FCIA
Aon Consulting Inc.

June 11, 2009

# Public Service Superannuation Board

# Public Service Superannuation Plan

## Financial Statements

**Year Ended March 31, 2009**

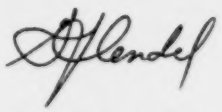
# Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits, accrued pension benefits and unfunded liability of the Public Service Superannuation Plan as at March 31, 2009 and the statements of changes in net assets available for benefits, and changes in accrued pension benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits, accrued pension benefits and unfunded liability of the Plan as at March 31, 2009 and the changes in net assets available for benefits and accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
June 11, 2009

Fred Wendel, CMA, CA
Provincial Auditor

## Public Service Superannuation Plan
## Statement of Net Assets Available for Benefits, Accrued Pension Benefits and Unfunded Liability

**Statement 1**

### As At March 31

| | Anti-Tuberculosis League Employees Superannuation Fund | | Sask Transportation Company Employees Superannuation Fund | | Public Service Superannuation Fund | | Total | |
|---|---|---|---|---|---|---|---|---|
| | (000's) | | (000's) | | (000's) | | (000's) | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| **ASSETS** | | | | | | | | |
| INVESTMENTS: (Note 3) | | | | | | | | |
| Pooled funds | $ - | $ - | $ 9,502 | $12,725 | $ - | $ - | $ 9,502 | $12,725 |
| RECEIVABLES: | | | | | | | | |
| Due from General Revenue Fund (Note 5) | - | - | 5 | 6 | - | - | 5 | 6 |
| Employees' contributions | - | - | 1 | 2 | 79 | 324 | 80 | 326 |
| Employers' contributions | - | - | 1 | 2 | 35 | 31 | 36 | 33 |
| Other receivables | 4 | 3 | 12 | - | 71 | 13 | 87 | 16 |
| Total assets | 4 | 3 | 9,521 | 12,735 | 185 | 368 | 9,710 | 13,106 |
| **LIABILITIES** | | | | | | | | |
| Contributions payable to General Revenue Fund | - | - | - | - | 59 | 285 | 59 | 285 |
| Accounts payable and accrued liabilities | 4 | 3 | 10 | 10 | 126 | 83 | 140 | 96 |
| Total liabilities | 4 | 3 | 10 | 10 | 185 | 368 | 199 | 381 |
| NET ASSETS AVAILABLE FOR BENEFITS (Statement 2) | - | - | 9,511 | 12,725 | - | - | 9,511 | 12,725 |
| Accrued pension benefits (Statement 3) | 3,423 | 3,763 | 26,024 | 27,758 | 1,853,333 | 1,909,437 | 1,882,780 | 1,940,958 |
| Unfunded liability | $3,423 | $3,763 | $16,513 | $15,033 | $1,853,333 | $1,909,437 | $1,873,269 | $1,928,233 |

(See accompanying notes to the financial statements)

## Public Service Superannuation Plan
## Statement of Changes in Net Assets Available for Benefits

**Statement 2**

### Year Ended March 31

| | Anti-Tuberculosis League Employees Superannuation Fund | | Sask Transportation Company Employees Superannuation Fund | | Public Service Superannuation Fund | | Total | |
|---|---|---|---|---|---|---|---|---|
| | (000's) | | (000's) | | (000's) | | (000's) | |
| | **2009** | **2008** | **2009** | **2008** | **2009** | **2008** | **2009** | **2008** |
| **INCREASE IN ASSETS:** | | | | | | | | |
| Investment income | | | | | | | | |
| Distributions-Pooled Funds (Note 3) | $ - | $ - | $ 506 | $ 779 | $ - | $ - | $ 506 | $ 779 |
| | - | - | 506 | 779 | - | - | 506 | 779 |
| Contributions (Note 6) | | | | | | | | |
| Employees' | - | - | 19 | 26 | 2,875 | 3,735 | 2,894 | 3,761 |
| Employers' | - | - | 19 | 26 | 874 | 973 | 893 | 999 |
| | - | - | 38 | 52 | 3,749 | 4,708 | 3,787 | 4,760 |
| Deficiency contribution from General Revenue Fund (Note 6) | 494 | 555 | - | - | 108,134 | 103,082 | 108,628 | 103,637 |
| Total increase in assets | 494 | 555 | 544 | 831 | 111,883 | 107,790 | 112,921 | 109,176 |
| **DECREASE IN ASSETS:** | | | | | | | | |
| Administration expense (Note 7) | 15 | 14 | 55 | 59 | - | - | 70 | 73 |
| Decrease in Market Value (Note 2) | - | - | 1,596 | 568 | - | - | 1,596 | 568 |
| Superannuation allowances | 479 | 541 | 2,107 | 2,138 | 111,220 | 106,701 | 113,806 | 109,380 |
| Refunds and transfers | - | - | - | 130 | 663 | 1,089 | 663 | 1,219 |
| Total decrease in assets | 494 | 555 | 3,758 | 2,895 | 111,883 | 107,790 | 116,135 | 111,240 |
| Net decrease in assets | - | - | (3,214) | (2,064) | - | - | (3,214) | (2,064) |
| NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR | - | - | 12,725 | 14,789 | - | - | 12,725 | 14,789 |
| NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR (Statement 1) | $ - | $ - | $ 9,511 | $12,725 | $ - | $ - | $ 9,511 | $12,725 |

(See accompanying notes to the financial statements)

## Public Service Superannuation Plan
## Statement of Changes in Accrued Pension Benefits

**Statement 3**

### Year Ended March 31

| | Anti-Tuberculosis League Employees Superannuation Fund | | Sask Transportation Company Employees Superannuation Fund | | Public Service Superannuation Fund | | Total | |
|---|---|---|---|---|---|---|---|---|
| | (000's) | | (000's) | | (000's) | | (000's) | |
| | **2009** | **2008** | **2009** | **2008** | **2009** | **2008** | **2009** | **2008** |
| ACCRUED PENSION BENEFITS, beginning of year | $3,763 | $4,049 | $27,758 | $27,846 | $1,909,437 | $1,854,824 | $1,940,958 | $1,886,719 |
| INCREASE IN ACCRUED PENSION BENEFITS | | | | | | | | |
| Change in discount rate assumption (Note 4) | - | 58 | - | 670 | - | 50,818 | - | 51,546 |
| Change in mortality assumption (Note 4) | - | - | 101 | - | 12,541 | - | 12,642 | - |
| Interest on accrued pension benefits | 167 | 188 | 1,271 | 1,338 | 88,391 | 90,502 | 89,829 | 92,028 |
| Benefits accrued | - | - | 92 | 119 | 14,749 | 18,227 | 14,841 | 18,346 |
| Net experience loss (Note 4) | 79 | 9 | 593 | 53 | 34,802 | 2,856 | 35,474 | 2,918 |
| | 246 | 255 | 2,057 | 2,180 | 150,483 | 162,403 | 152,786 | 164,838 |
| DECREASE IN ACCRUED PENSION BENEFITS | | | | | | | | |
| Benefits paid | 479 | 541 | 2,107 | 2,268 | 111,883 | 107,790 | 114,469 | 110,599 |
| Change in discount rate assumption (Note 4) | 107 | - | 1,684 | - | 94,704 | - | 96,495 | - |
| | 586 | 541 | 3,791 | 2,268 | 206,587 | 107,790 | 210,964 | 110,599 |
| ACCRUED PENSION BENEFITS, end of year (Statement 1) | $3,423 | $3,763 | $26,024 | $27,758 | $1,853,333 | $1,909,437 | $1,882,780 | $1,940,958 |

(See accompanying notes to the financial statements)

## Public Service Superannuation Plan
## Notes to the Financial Statements

## March 31, 2009

### 1. Description of the Plan

a) **General**

The Public Service Superannuation Board (Board) administers the funds that make up the Public Service Superannuation Plan (Plan). Day-to-day administration is provided by the Public Employees Benefits Agency (PEBA).

The Plan is a defined benefit final average pension plan. Plan details are contained in *The Public Service Superannuation Act* and *The Superannuation (Supplementary Provisions) Act*. The three main components of the Plan are described as follows:

*i) Anti-Tuberculosis League Employees Superannuation Fund*

The Anti-Tuberculosis League Employees Superannuation Fund (AntiTB Fund) was established under provisions of an amendment to *The Public Service Superannuation Act*, effective April 1, 1979.

*ii) Saskatchewan Transportation Company Employees Superannuation Fund*

The Saskatchewan Transportation Company Employees Superannuation Fund (STC Fund) was established by an amendment to *The Public Service Superannuation Act*, effective April 1, 1981. The STC Fund accumulates contributions of employees of the Saskatchewan Transportation Company as of March 31, 1981 and any investment income.

*iii) Public Service Superannuation Fund*

Members of the Public Service Superannuation Fund (PSSF) include those public service employees who were employed prior to October 1, 1977 and did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

b) **Funding Policy**

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of commencement of employment. Contributions are reduced by an amount equal to deemed Canada Pension Plan contributions.

Certain employers are required to match employees' contributions in respect of current service.

c) **Retirement**

Normal retirement is at age 65. Members may retire earlier under certain conditions.

d) **Pensions**

Annual pensions are calculated as 2% of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum of 35. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

e) **Income Tax**

The Plan is a registered pension plan as defined by the *Income Tax Act (Canada)* and accordingly, is not subject to income taxes. Allowances and refunds are subject to withholding taxes that are remitted to Canada Revenue Agency.

## 2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) **Change in Accounting Policies**

Effective April 1, 2008, three new presentation and disclosure standards were adopted: Canadian Institute of Chartered Accountants (CICA) Handbook Section 1535, *Capital Disclosures* (Section 1535); Handbook Section 3862, *Financial Instruments - Disclosures* (Section 3862); and Handbook Section 3863, *Financial Instruments - Presentation* (Section 3863).

Section 1535 requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the Plan's objectives, policies and processes for managing capital. As this standard only addressed disclosure requirements, there is no change in net assets.

Sections 3862 and 3863 replace Handbook Section 3861, *Financial Instruments - Disclosure and Presentation*. The new disclosure standards increase the disclosures related to financial instruments and the nature, extent and management of the Plan's risks arising from financial instruments. The presentation standards carry forward unchanged from the former presentation requirements. As these standards only address disclosure and presentation requirements, there is no impact on the Plan's net assets.

b) **Investments**

Pooled fund investments are valued at the unit value supplied by the pooled fund administrator, which represent the underlying net assets of the pooled fund at fair values determined using closing bid prices.

The change in the market value of investments during the year is reflected on the financial statements as a market value adjustment.

c) **Investment Transactions and Income**

Investment transactions are recorded on the trade date. Transactions conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Dividend income is recognized on the record date. Monetary items denominated in foreign currency are translated at the exchange rate in effect at year-end.

d) **Future Accounting Policy Changes**

The Accounting Standards Board of the Canadian Institute of Chartered Accountants has issued an exposure draft proposing to adopt International Financial Reporting Standards (IFRS) effective April 1, 2011. Currently, pension plans are not required to convert to IFRS completely. The Plan is monitoring the transition to IFRS and is assessing the impact that the adoption of IFRS will have on its financial statements.

## 3. Investments

The Saskatchewan Transportation Company Employees Superannuation Fund limits its investments in pooled equity funds to 10% of the market value of each fund. Foreign equities including foreign pooled funds are limited to 30% of the market value of the investment portfolio and are denominated in Canadian dollars. The STC Fund's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager. The STC Fund's pooled funds are comprised of the following:

| | Units Held | | % of Total Units Outstanding | | Market Value | | Investment Income and Change in Market Value | |
|---|---|---|---|---|---|---|---|---|
| | **2009** | **2008** | **2009** | **2008** | **2009** | **2008** | **2009** | **2008** |
| | (000's) | | | | (000's) | | (000's) | |
| Greystone Fixed Income Fund | 555 | 700 | 1.35 | 1.61 | $5,611 | $ 7,247 | $ 214 | $ 374 |
| Greystone Canadian Equity Fund | 81 | 64 | 0.11 | 0.13 | 1,358 | 1,754 | (628) | 67 |
| Greystone EAFE Plus Fund | 140 | 135 | 0.07 | 0.08 | 837 | 1,279 | (427) | (172) |
| Greystone US Equity Fund | 123 | 115 | 0.87 | 0.96 | 1,098 | 1,290 | (276) | (112) |
| Greystone Money Market Fund | 60 | 115 | 0.30 | 0.66 | 598 | 1,155 | 25 | 54 |
| | | | | | $9,502 | $12,725 | $(1,092) | $ 211 |

The Greystone EAFE Plus Fund holds units in the Greystone EAFE Quantitative Fund and the Greystone EAFE Growth Fund. These funds may use derivative financial instruments such as foreign currency forward exchange contracts and future contracts for hedging foreign currency and replicating indexes.

Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices. Derivatives transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at market value using market prices. Where market prices are not readily available, other valuation techniques are used to determine market value.

## 4. Obligation for Accrued Pension Benefits

An actuarial valuation was performed as at December 31, 2008 and extrapolated to March 31, 2009 by Aon Consulting Inc. An actuarial valuation was performed as at December 31, 2005 and extrapolated to March 31, 2008 by Eckler Ltd. The actuaries used the projected benefit method prorated on service to determine the actuarial present value of the pensions accrued in respect of service to the valuation date.

The value of the accrued pension benefits is based on a number of assumptions about the future events including: salary escalation rate, inflation rate, discount rate, mortality, retirements and terminations. The actual results may vary significantly from the long-term assumptions used.

Significant long-term actuarial assumptions used in determining the accrued pension benefits were:

Public Service Superannuation Plan:

| | 2009 | 2008 |
|---|---|---|
| Salary escalation rate | 3.50% | 3.50% |
| Inflation rate | 2.50% | 2.50% |
| Discount rate | 5.25% | 4.75% |
| Mortality table | 1994 UPM (projected to 2019) | 1994 UPM (projected to 2015) |
| Indexing | 1.75% (70% CPI) | 1.75% (70% CPI) |

The net experience loss is due to salary increases being greater than expected, indexing being greater than expected, mortality being less than expected, retirements being greater than expected, and data improvements offset by a gain due to terminations being greater than expected.

Anti-Tuberculosis League Employees Superannuation Plan:

| | 2009 | 2008 |
|---|---|---|
| Salary escalation rate | 3.50% | 3.50% |
| Inflation rate | 2.50% | 2.50% |
| Discount rate | 5.25% | 4.75% |
| Mortality table | 1994 UPM (projected to 2015) | 1994 UPM (projected to 2015) |
| Indexing | 1.75% (70% CPI) | 1.75% (70% CPI) |

The net experience loss is due to data improvements, retirement experience being greater than expected, indexing being greater than expected and mortality being less than expected offset by gain due to terminations being greater than expected.

Saskatchewan Transportation Company Employees Superannuation Plan:

| | 2009 | 2008 |
|---|---|---|
| Salary escalation rate | 3.50% | 3.50% |
| Inflation rate | 2.50% | 2.50% |
| Discount rate | 5.75% for 5 years, 5.25% thereafter | 4.75% |
| Mortality table | 1994 UPM (projected to 2017) | 1994 UPM (projected to 2015) |
| Indexing | 1.75% (70% CPI) | 1.75% (70% CPI) |

The net experience loss was due to indexing being greater than expected, mortality being less than expected, salary increases being greater than expected, data improvements and retirements being greater than expected offset by a gain due to terminations being greater than expected.

The following illustrates the effect on the accrued pension benefits of changing the estimated rates of inflation, salary escalation and discount rate.

| | Long-term Assumptions | | | | | |
|---|---|---|---|---|---|---|
| Effect on Accrued Pension Benefits | Inflation* | | Salary** | | Discount Rate** | |
| | 3.50% | 1.50% | 4.50% | 2.50% | 6.25% | 4.25% |
| AntiTB (decrease) increase | (2.2%) | 2.3% | N/A | N/A | (5.7%) | 6.4% |
| STC (decrease) increase | (2.9%) | 3.1% | 0.1% | (0.1%) | (8.3%) | 9.8% |
| PSSF (decrease) increase | (3.1%) | 3.2% | 0.1% | (0.1%) | (9.4%) | 11.3% |

* A 1% change in the inflation rate has a corresponding change in the interest rate and salary rate of 1% and in the post-retirement indexing of 0.7%.

** The effects of a change in the salary and discount rates are considered separately from the effects of any other change

## 5. Due from General Revenue Fund

The STC Fund and the AntiTB Fund bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Each Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily bank account balance. The Government's average thirty-day borrowing rate in the current year was 1.95% (2008–4.08%).

## 6. Deficiency Contribution from the General Revenue Fund

Under Section 40 of *The Public Service Superannuation Act,* all funds received by the Board for the PSSF are recorded as revenue of the General Revenue Fund. No funds are set aside for the payment of future benefits. All allowances and other payments are made out of the General Revenue Fund. The transactions relating to employers' and employees' contributions, superannuation allowances and refunds and transfers are recorded in these financial statements for accountability purposes.

Any deficiency of allowances and other payments over employers' and employees' contributions are recorded as a Deficiency Contribution from the General Revenue Fund. The administration costs of the PSSF are borne by the General Revenue Fund (see Note 7).

Subsections 60.1(12) and 60.2(13) of *The Public Service Superannuation Act* states that if there is insufficient money in the STC Fund and the AntiTB Fund to pay allowances or make other payments, the Minister of Finance is obligated to pay any such deficiency out of the General Revenue Fund.

## 7. Related Party Transactions

The annual operating expenditures associated with the administration of the STC Fund and AntiTB Fund are paid to the Public Employees Benefits Agency Revolving Fund except for investment management fees incurred for the STC Fund which are paid directly to Greystone Capital Management Inc.

| | 2009 (000's) | | | | | | 2008 (000's) | | |
|---|---|---|---|---|---|---|---|---|---|
| | AntiTB | | STC | | Total | | | | |
| | Budget | Actual | Budget | Actual | Budget | Actual | AntiTB | STC | Total |
| Administration costs | $22 | $15 | $47 | $33 | $69 | $48 | $14 | $33 | $47 |
| Investment management fees | - | - | 30 | 22 | 30 | 22 | - | 26 | 26 |
| | $22 | $15 | $77 | $55 | $99 | $70 | $14 | $59 | $73 |

In accordance with subsection 3(3) of *The Public Service Superannuation Act*, all general administrative and employee costs required for the administration of the Public Service Superannuation Fund are paid out of the General Revenue Fund. Accordingly, no provision for these costs is included in these financial statements. Administration costs for the year were $1,242,418 (2008 - $1,194,150).

## 8. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments, the fair value approximates their carrying value due to their immediate or short-term nature:

a) Due from General Revenue Fund
b) Employees' contributions receivable
c) Employers' contributions receivable
d) Other receivables
e) Contributions payable to General Revenue Fund
f) Accounts payable and accrued liabilities

Calculation of the fair value of investments is disclosed in Note 2.

The fair value of accrued pension benefits cannot be readily determined, however, information about the estimated provision is provided in Note 4.

## 9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Board. The Board reviews the investment performance of the STC Fund in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the STC Fund's investment performance:

| | 2009 | 2008 | Rolling Four Year Average Annual Return |
|---|---|---|---|
| Fund's actual rate of return (a) | (9.4%) | 1.57% | 2.6% |
| Fund's benchmark (b) | (8.7%) | 1.26% | 2.4% |

(a) The annual returns are before deducting investment expenses.
(b) The Fund's benchmark for its investment portfolio has been determined using the actual returns of the market indexes such as the S&P/Toronto Stock Exchange Capped Composite Index, the S&P 500 Index, the Morgan Stanley Capped International Europe Australia Far East Index and the DEX Universe Bond Index.

## 10. Financial Risk Management

The nature of the Plan's operations result in a statement of net assets available for benefits, accrued pension benefits and unfunded liability that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the STC Fund's investments. These financial risks are managed by having an investment policy, which is approved annually by the Board. The investment policy provides guidelines to the STC Fund's investments managers for the asset mix of the portfolio regarding quality and quantity of fixed income and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. The Board reviews regular compliance reports from its investment managers and custodian as to their compliance with the investment policy. The Board also reviews regular compliance reports from its custodian as to the investment managers' compliance with the investment policy.

### Credit risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from accounts receivable and fixed income investments. The maximum credit risk to which it is exposed at March 31, 2009 is limited to the carrying value of the financial assets summarized as follows:

| | 2009 Carrying value ( $000's) | 2008 Carrying value ( $000's) |
|---|---|---|
| Employee contributions receivable | $ 80 | $ 326 |
| Employers contributions receivable | 36 | 33 |
| Other receivables | 87 | 16 |
| Due from the General Revenue Fund | 5 | 6 |
| Fixed income investments[1] | 6,209 | 8,402 |

[1] Includes the fixed income and money market pooled funds.

Employee and employer contributions receivable are generally received in less than 30 days. Credit risk within investments is primarily related to the money market pooled fund and the fixed income pooled fund. It is managed through the investment policy that limits fixed term investments to those of high credit quality (minimum rating for bonds is BBB, short-term investments is R-1) along with limits to the maximum notional amount of exposure with respect to any one issuer.

**Market risk**

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest rate risk

The STC Fund is exposed to changes in interest rates in its fixed income pooled fund. Duration is a measure used to estimate the extent market values of fixed income instruments change with changes in interest rates. Using this measure, it is estimated that a 100 basis point change in interest rates would change the net assets available for benefits and the unfunded liability by $0.36 million at March 31, 2009 representing 6.4% of the $5.6 million fair value of fixed income pooled funds.

Foreign exchange

The STC Fund is subject to changes in the U.S. dollar exchange through its U.S. equity pooled fund. Also, the STC Fund is exposed to EAFE (Europe, Australia and Far East) currencies through its investment in EAFE equity pooled fund. Exposure to both U.S. and non-North American equity pooled funds is limited to a maximum 20% each of the market value of the total investment portfolio. At March 31, 2009, the STC Fund's exposure to the U.S. equity pooled fund was 11.6% (2008 – 10.1%) and its exposure to non-north American equity pooled fund was 8.80% (2008 – 10.1%).

At March 31, 2009, a 10% change in the Canadian dollar versus U.S. dollar exchange rate would result in approximately a $0.11 million change in the net assets available for benefits and the unfunded liability. A 10% change in the Canadian dollar versus the EAFE currencies would result in approximately a $0.08 million change in the net assets available for benefits and the unfunded liability.

Equity prices

The STC Fund is exposed to changes in equity prices in Canadian, U.S. and EAFE markets. Equity pooled funds comprise 34.7% (2008 – 34.0%) of the carrying value of the STC Fund's total investments. Individual pooled funds are diversified by geography, industry type and corporate entity. No one investee represents greater than 10% of the market value of the STC Fund.

The following table indicates the approximate change that could be anticipated to both the increase in net assets available for benefits and unfunded liability based on changes in the STC Fund's benchmark indices March 31, 2009:

| | (Change in $000's) | |
|---|---|---|
| | 10% increase | 10% decrease |
| S&P/TSX Composite Index | $136 | $(136) |
| S&P 500 Index | 110 | (110) |
| MSCI EAFE Index | 84 | (84) |

**Liquidity risk**

Liquidity risk is the risk that the Plan is unable to meet its financial obligations as they fall due. Cash resources are managed on a daily basis based on anticipated cash flows. Accounts payable and accrued liabilities will be paid within the next fiscal period.

## 11. Cash Flow Forecast

The total cash inflows are the amount of contributions expected to be received by the pension plan. The total cash outflows are the amounts required to pay all accrued pension benefits. The forecast of cash inflows and outflows have been determined using the long-term assumptions outlined in Note 4. The expected net cash flows are not adjusted for inflation, they are based on actual dollar forecasts.

The cash required for PSSF is the amount by which the cash outflows exceed cash inflows and is forecast to the end of the year 2039.

| Year | Cash Inflows (000's) | Cash Outflows (000's) | Cash Required (000's) |
|---|---|---|---|
| 2009-2010 | $2,054 | $ 129,409 | $ 127,355 |
| 2010-2011 | 1,413 | 132,845 | 131,432 |
| 2011-2012 | 733 | 138,487 | 137,754 |
| 2012-2013 | 199 | 142,600 | 142,401 |
| 2013-2014 | 25 | 141,985 | 141,960 |
| Total within 5 years | $4,424 | $ 685,326 | $ 680,902 |
| Total 5 - 10 years | $ 33 | $ 672,728 | $ 672,695 |
| Total 11 - 30 years | $ - | $1,936,018 | $1,936,018 |

The estimated net cash outflows for the AntiTB Fund for the next 5 years is $2.0 million, for the next 10 years $3.4 million and for the next 30 years $4.9 million. The estimated net cash outflows for the STC Fund for the next 5 years is $9.6 million, for the next 10 years $19.6 million, and for the next 30 years $43.3 million.

# Appendix 'A'

## Description of Market Indices

### S&P/TSX Composite Index

Effective May 1, 2002, the TSE 300 index is now known as the S&P/TSX Composite Index. The index comprises approximately 71 per cent of market capitalization for Canadian-based, Toronto Stock Exchange listed companies. It is calculated on a float market capitalization and is the broadest Canadian equity index available. The index also serves as the premier benchmark for Canadian pension funds and mutual market funds.

### S&P/TSX Capped Composite Index

S&P/TSX CPMS Cap 10 Index is a capitalization-weighted index comprised of all of the stocks included in the S&P/TSX Composite Index. The float capitalization weight of any stock that exceeds 10% of the S&P/TSX Composite Index is capped at 10% of the CPMS Cap 10 Index on a daily basis.

### S&P 500

Standard & Poor's 500 Composite Stock Index consists of the largest 500 companies in the United States chosen for market size, liquidity and industry group representation. It is a market-value weighted index, with each stock's weight in the index proportionate to its market value. For the purposes of this report, the S&P Index returns are converted from U.S. dollars into Canadian dollars and, therefore, reflect currency gains or losses.

### MSCI EAFE

Morgan Stanley Capital International Europe, Australia and Far East Index is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 21 European and Pacific Basin Countries and includes reinvestment of all dividends. This index aims to capture 85% of the free float adjusted market capitalization in each industry group in each country. Individuals cannot invest directly in an index. The index is computed on a float-based capitalization.

### DEX Universe Bond Index

Formerly the SC Universe Bond Index, the DEX Universe Bond Index covers all marketable Canadian bonds with term to maturity of more than one year. The Universe contains over 900 marketable Canadian bonds with an average term of 9 years and an average duration of 5.5 years. The purpose of the index is to reflect the performance of the broad "Canadian Bond Market" in a similar manner to the S&P/TSX Composite Index.

### DEX 91-Day T-Bill Index

Canada Treasury Bills represent the highest quality short-term instruments available. The index is constructed by selling and repurchasing Government of Canada T-Bills with an average term to maturity of 91 days. The DEX 91-Day T Bill Index is calculated and marked to market daily. Prior to June 2007, it was known as the SC 91-Day Treasury Bond Index.